

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

In the Matter of	)	
	)	
Amendment of the Commissions Rules	)	CC Docket No. 96-45;
To Provide Universal Service Lifeline	)	
Support for Payphone Line Service	)	WC Docket No. 03-109
	)	

**INITIAL COMMENTS OF THE  
FLORIDA PUBLIC TELECOMMUNICATIONS ASSOCIATION, INC.**

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January 18, 2011

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FLORIDA PUBLIC TELECOMMUNICATIONS ASSOCIATION, INC.**

The Florida Public Telecommunications Association, Inc. ("FPTA"), on behalf of itself and its member companies, hereby respectfully submits these Initial Comments, pursuant to Public Notice DA 10-2360, as released by the Wireline Competition Bureau (the "Bureau") of the Federal Communications Commission ("FCC" or "Commission") on December 16, 2010, in support of the requested relief sought by the American Public Communications Council ("APCC") in the above captioned proceedings.

**I. Introduction and Statement of Interest**

1. FPTA is a not-for-profit trade association representing the interests of providers of public telephone services in the State of Florida for over two decades. FPTA's membership consists of independent public payphone providers operating throughout the state and in some cases also offering service in multiple state jurisdictions. These payphone providers continue to persevere in their provision of service, despite very challenging marketplace conditions over recent years. Notwithstanding their grass roots determination and commitment to offering this public service, the total number of companies providing public telephone service in Florida has diminished markedly and the number of public phones in the state has also dropped drastically in

recent years (from approximately one hundred and twenty thousand payphones in Florida, down to what FPTA estimates are well below twenty thousand public phones statewide today). As such, FPTA and its members have a substantial interest in the outcome of this proceeding and the matters addressed herein.

## **II. Background**

2. Although a measurable drop in payphone traffic and the number of public payphones was inevitable in the face of growing U.S. wireless penetration over the past decade, it is clear that this reduction in public phone counts has been greatly exacerbated in Florida and other states over just the past several years due to the introduction of “free” governmentally supported cell phone service offered by TracFone and more recently Virgin Mobile and other providers. FPTA does not fault the Commission for its policy direction in providing Lifeline support to enable the availability of wireless services for our most economically challenged citizens. FPTA does, however, strongly believe that the FCC’s failure to extend equivalent USF support to the public phone sector has unintentionally yet materially and adversely affected this valuable part of our telecommunications infrastructure, and in so doing is actually harming those Universal Service interests that the Commission otherwise seeks to further.

3. In this regard, it must be acknowledged that traditional fixed public telephone service is still a genuinely relevant and important mechanism in Florida and across the nation, serving the very same Universal Service objectives sought to be addressed by the low income-Lifeline subsidies now in place for wireless programs. Moreover, fixed public telephones continue to (1) support numerous users per station—while wireless handsets are typically tied to a single user, (one of the features making payphones a *prima facie* more economical and efficient application of limited USF dollars); and (2) have proven themselves in times of both natural disaster and

national emergency to be a reliable and working communications safety net that is able to remain functional even in the event of a loss of electrical power or other significant infrastructure disruption. These public interest attributes alone make our nation's payphone base entirely worthy of support, and warrant the relief requested by APCC in this proceeding.

### **III. Why Public Payphones Continue to Matter**

4. Even in today's heavily wireless world of 2011, fixed public payphones still fulfill significant needs in the U.S. These needs, in their broadest sense, are twofold. First, there are millions of our citizens who are unable to either afford wireless services or to take advantage as a practical matter of the USF supported wireless programs now extant. There are many additional citizens who, for a variety of reasons, choose not to subscribe to wireless services, or are unable to make a wireless call at a particular moment. These citizens while away from home often must rely upon public payphones as their communications lifeline. This demographic includes the homeless, the economically disadvantaged (both those below and those slightly above the official poverty level), our seniors, foreign visitors, and to some extent all of us when we are without our cell phones (or may be experiencing a dead battery, poor wireless coverage, exhaustion of wireless minutes, etc.). Especially for the homeless and the poor, public pay telephones truly do represent a continuing and vital communications link on a daily basis.

5. Along with providing free calling to 911- Emergency services, public phones also provide coin free access to all toll free (800/877/866) numbers and associated services. In this regard, and based upon a variety of data FPTA has reviewed from its members and other industry sources, many of the highest volume toll free calls placed from public payphones today are calls to critical social service organizations: social security, food stamps, children/family services, unemployment services, and a host of other non-profit and governmental services

addressing vital social and economic needs in our communities. In current economic times, preservation of this calling safety net is more important than ever.

5. Second, public telephones have proven their enormous worth time and again during serious and life threatening emergencies. On a day in and day out basis, public telephones provide free access 24/7/365 to Emergency 911 services—for fire, medical or law enforcement assistance. In times of regional/national emergency, payphones have repeatedly been there to “save the day”—showing themselves to be a reliable and working communications resource while wireless services were simply not functional. When the World Trade Center disaster occurred in 2001, pay telephones were the only working means for millions of affected citizens to make critical calls from lower Manhattan—both at the time of the disaster, and for months thereafter. Once again, when the northeastern U.S. faced a severe and widespread power blackout in 2003, public payphones were the only reliable and working means of communications for millions of affected citizens. Finally, during Hurricane Katrina and the other significant hurricane crises affecting the Gulf States over recent years, public telephones have provided essential communications services when wireless and other services were simply not working—once more demonstrating the importance of maintaining traditional public phone availability in the U.S. In all of these “emergency” cases, public telephones have provided an essential piece of communications infrastructure during times of greatest need—in many cases providing life saving calling capabilities when other communications modalities were unable to do so.

#### **IV. Why the Requested Relief is So Important**

6. Our remaining public telephone base is a valuable national asset that, for the above stated reasons, should not be allowed to further evaporate. To help retain this important communications safety net for our nation, swift and effective action by this Commission is required. Based upon FPTA's first hand experience, the removal of payphones and the number of companies exiting the business have dramatically accelerated over the recent several years and have now reached crisis proportions. Absent prompt and meaningful intervention by the Commission, the prospect of a U.S. landscape virtually or completely devoid of public telephones is all too real and imminent. In this regard, it is essential that the Commission put an immediate end to the marketplace distortions created by having "free" USF supported cell phones available, while fixed public telephones serving the very same low income customer group are denied similar support—or it may well be too late for the nation's public phone base.

7. The availability of Lifeline-supported wireless service is far from a complete answer to the Universal Service needs that exist in our state and the nation as a whole. First, there are those many citizens in poverty who for a variety of reasons cannot as a practical matter utilize wireless services. These include many homeless, elderly, and other important groups who may not be fully equipped to apply for, utilize and/or maintain wireless services. Second, there are a large number of citizens who may not be able to qualify for Lifeline support, but who are still economically disadvantaged and as a practical matter continue to rely upon public payphones as a primary communications mode. Third, those who subscribe to Lifeline supported wireless services only represent one person per household—often leaving the other family members to rely on payphones when they are away from the primary subscriber. Fourth, those who utilize Lifeline supported wireless services may well use up their allotted minutes early in the month

and then be required to rely on public telephones for their essential communications during the remainder of the month.

8. Line costs are one of the single most significant financial hurdles to maintaining the ongoing deployment of public telephones in the field. As such, the relief afforded by means of a Lifeline credit on a PSP's monthly phone bill will be significant and will directly translate into an improved paradigm for payphone retention. FPTA submits that this fact, along with all of the other highly compelling public policy grounds favoring USF-Lifeline support for payphone lines, should trigger swift action by the Commission to eliminate the disparate USF eligibility treatment afforded wireless versus payphone services, by ensuring that Lifeline support encompasses the valuable national asset that is embodied in our remaining public telephone base every bit as much as it does for wireless services.

#### **V. Conclusion**

9. Based upon FPTA's close and long term involvement with the public communications industry in Florida and at the national level, it can be stated without equivocation that the current state of the public communications industry and the level of payphone availability in the U.S. are both at an all time low and in grave danger of being irretrievably lost—in no small measure due to the migration of payphone calling to USF-Lifeline supported cell phone services.

10. FPTA's members are currently required to contribute to the Universal Service Fund, but receive no support whatsoever from that Fund. This is so even though FPTA's member companies and PSPs everywhere are (a) as a practical matter an integral part of meeting the nation's Universal Service needs, and (b) serving the very same economically disadvantaged citizens as are being served by other providers who utilize Lifeline support. As such, FPTA's member PSP companies are effectively and discriminatorily being made to fund subsidy

payments to wireless ETCs, who in turn are then able to offer “free” subsidized services that take business away from those same PSPs. This circumstance is completely inequitable and in good conscience should not be permitted to continue.

**WHEREFORE**, FPTA respectfully urges the Commission to (1) grant in full and on an expedited basis the Emergency Petition for Interim Relief filed in this proceeding by APCC, and (2) promptly initiate the rulemaking proceeding requested by APCC to provide permanent Lifeline support for payphone line services.

Respectfully submitted,

**FLORIDA PUBLIC TELECOMMUNICATIONS ASSOCIATION, INC.**

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January 18, 2011

## CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Initial Comments of the Florida Public Telecommunications Association, Inc. was provided to the parties listed below via electronic or U.S. Mail on this 18<sup>th</sup> day of January, 2011.

/s/ Bruce W. Renard

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